Proposed Synopsis for Registration of Ph.D.

A COMPARATIVE STUDY OF CUSTOMER RELATIONSHIP MANAGEMENT IN PUBLIC SECTOR AND PRIVATE SECTOR BANKS IN KALYAN CITY

Submitted to

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Introduction of CRM:

Customer Relationship Management (CRM) is comprehensive business strategy. It helps business to organize its activities around the customer. CRM is not meant for only consumer goods and services companies; it is the secret of success of any type of business. Today, only those businesses that constantly strive to earn the trust of their customers are successful.

A perfect CRM strategy is the creation of mutual value for all the parties involved in the business process. It is about creating a sustainable competitive advantage by being the best at understanding, communicating, and delivering, and developing existing customer relationships in addition to creating and keeping new customers.

CRM is a comprehensive approach for creating, maintaining and expanding customer relationship it provides seamless co-ordination between customer service, marketing, information technology and other customer related functions. It integrates people, process andtechnologytomaximizerelationships with all the customers. It does not aim to build closer relationship with all customers, but it recommends that organizations take initiative to identify the most valuable customers by looking for their life timevalue.From theBank's point of view, CRM is the management process or approach of acquiring, retaining and growingcustomers.

Introduction of Banking:

Public sector banks:

The term public sector bank refers to banks that have their shares listed in the stock exchanges NSE and BSE and also the government of India holds majority stake in these

banks. They can also be termed as government owned banks. There are 21 public sector banks operating in India the list of the banks is as follows:

Allahabad Bank	Canara Bank	Oriental Bank of Commerce
Andhra Bank	Central Bank of India	Punjab and Sind Bank
Bank of Baroda	Corporation Bank	Punjab National Bank
Bank of India	Dena Bank	Syndicate Bank
Bank of Maharashtra	Indian Bank	State Bank of India
UCO Bank	Union Bank of India	United Bank of India
Vijaya Bank	Indian Overseas Bank	IDBI Bank

Private sector banks:

All those banks where greater parts of stake or equity are held by the private shareholders and not by government are called as the private sector banks. There are 19 public sector banks operating in India the list of the banks is as follows:

Catholic Syrian Bank	Lakshmi Vilas Bank	ICICI Bank
City Union Bank	Nainital Bank	IndusInd Bank
Dhanlaxmi Bank	South Indian Bank	ING Vysya Bank
Federal Bank	Tamilnad Mercantile Bank	Kotak Mahindra Bank
Jammu & Kashmir Bank	Saraswat Bank	Yes Bank
Karnataka Bank	Axis Bank	
KarurVysya Bank	HDFC Bank	

CRM in banking industry:

The banking sector is facing enormous challenges of attracting the new customers and retaining the existing ones.The Indian banking system has the largest branch network spread over a vast area. In the era of cut throat competition, the survival of any bank depends upon the satisfied customers. Customer satisfaction is the state of mind that customers have about a bank when theirexpectations have been met or exceeded over lifetime of the service. Inherent in every bank is a desire to increase the value of their customer relationship and realize a

return on their investment in customer relationship management technology. To be successful, banks need to address two core questions which are as follows.

1. Where will their efforts produce the greatest value?
2. Which technology will enable them to translate customer knowledge into an effective delivery strategy?

Need of CRM in banking industry:

1. Long-term customers are more likely to become a referral source.

2. The longer a relationship continues; the better a bank can understand the customer and his/her needs & preferences, and so greater the opportunity to tailor products and services and cross-sell the product / service range.

3.Customers in long-term relationships are more comfortable with the service, the organization, methods and procedures. This helps reduce operating cost and costs arising out of customer error.

4. The Customers in Banking Industry today are well informed. With the introduction of new technology, the world has become like a small village. Thus, if a Bank wants to have more customers, it should develop a good relationship with its present customers and try to maintain the same in the future also.

5. In the present scenario, brand loyalty is on decline. The customers are switching over frequently to avail the better facilities from other banks. Newer and superior products and services are being introduced continuously in the market. Thus, the banks have to upgrade their products, improve customer service and create bonds of trusts through proper care of customer needs and regular communications. With the help of CRM,strong customer loyalty and a good image for the organization can be developed.

Benefits of CRM:

Benefits of CRM can be categorized into three groups namely: Benefits for customers, benefitsfor employees and benefits for banks.

(i) Benefits for Customers

1. There is a more coordinated and professional approach to customer contact.

2. With up-to-date customer information, Banks can offer more personalized services.

3. Customers feel empowered if they have greater access to products and services. For example24 Hours banking.

(ii) Benefits for Employees

1. Employees are empowered with the information to deliver high quality serviceand meet customer expectations.

2. Employees have more time to serve customers.

3. Employees have higher satisfaction ratings.

(iii) Benefits for Banks

1. Managers are empowered with information that can help them to manage customer relationshipsand make better decisions.

2. Optimum use of resources.

3. Customer satisfaction and increased loyalty.

4. Improved customer acquisition and cross-selling.

Objectives of the study:

1. To find out the overall percentage of customers perception of the services provided by the banks and to establish comparative analysis of services provided by Public sector banks and Private sector banks in Kalyan.

2.To examine the customer feedback and their knowledge about various services provided by the Public sector banks and private sector banks in Kalyan

3.To study & monitor the working styles, structures, economic objectives of Public banks banks in comparison to private banks.

4.To evaluate the control criterion for reducing paper work, level of automation, level of computerization by banks to provide efficient services to customers.

5.Identification of barriers to successful implementation of CRM.

6.Assessments of customer loyalty towards banks.

7.To suggest a model for successful CRM implementation.

8.To put forward concrete suggestions and recommendations.

Scope of the Study:

1. Scope of the research is limited to top three public sector and private sector banks Public sector banks are State bank of India, Bank of Baroda, Dena bank, Union Bank of India, Punjab National Bank. Private Sector Banks are HDFC bank, ICICI bank, Axis Bank, Kotak Mahindra Bank and Yes Bank.

2. Research is Carried Out in Kalyan City only.

3. Research explores certain customer related aspects such as attitude of employees, Saving Account portability, Locker facility, ATM facility, Passbook facility, Internet banking, timings, Issue of DD, Customer Care, Ambience, Collection of Cheques, Issue of Cheque Book, information about new products and services, Cheque Deposit for collection and parking facility.

Hypothesis Formulation

Hypothesis I

Null Hypothesis: There is no difference CRM implementation in all private sector and public sector Banks

Alternate Hypothesis: There is a difference in CRM implementation in all Private sector and public sector Banks.

Hypothesis II

Null Hypothesis: There is no relationship between CRM and Service Quality.

Alternate Hypothesis: There is a relationship between CRM and Service Quality.

Hypothesis III

Null Hypothesis: There is no impact on Customer retention using CRM in private Sector and Public sector banks.

Alternate Hypothesis: There is a impact on Customer retention using CRM in private Sector and Public sector banks.

Research methodology:

Sample selection:

1 Random method of sampling would be used for sample selection representing 25% size of the population.

2.There are twenty one public sector banks functioning in India among them top five banks are selected as a sample for research these banks are State Bank of India, Bank of Baroda, Dena bank, Union Bank of India and Punjab National Bank. Similarly there are nineteen private sector banksout of these banks top five private banks are selected for research which are HDFC Bank, ICICI Bank, Kotak Mahindra Bank, Yes Bank and Axis Bank.

3.Sample selection for banks will be made as from each branch of all selected banks will chosen for research work. Branches of these banks are located at every business places of Kalyan by which researcher can reach and identify problems of CRM due to geographical inconvenience, systems adopted and issues regarding CRM.

Data Collection:

1. The present study is based on both primary data and secondary data. The information related to customer perception towards services provided by public sector and private sector banks is collected for following age groups with the help of structured questionnaires.

20-30

31-40

41-50

51-60

The sample size of the study is 600 consisting 300 from public sector banks and 300 from private sector banks. These respondents have been selected on random sampling basis.

2. Separate questionnaires will be structured for relationship managers and executives who are actually service providers to know their views and existing CRM system.

3. In order to understand customer perception following attributes taken into consideration and ratings will be given by which customer satisfaction level can be analyzed about each single service attribute which will help to design appropriate CRM model. Following is the rating table.

Name of bank:

Branch:

Service Attributes	**Very satisfactory 5**	**Moderately satisfactory 3**	**Unsatisfactory 2**
Attitude of employees			
Saving account portability			
Locker facility			
ATM facility			
Passbook facility			
Internet banking			
Timings			
Issue of DD			
Customer care			
Ambience			
Collection of cheques			
Issue of cheque book			
Information about new products and services			
Cheque deposit for collection			
Parking facility.			

Secondary data will be referred from journals, magazines, RBI bulletins and authentic websites. Data collected would be organized, analyzed and interpreted to arrive at definite conclusion.

Chapter Scheme:

Chapter 1

Introduction and overview of the topic

This chapter consists of introduction and overview of the topic, how research work will be carried out. It is followed by objectives, scope and significance of the study, methodology, sources of data collection. It also includes concept and history of CRM its levels, need and benefits to banking sector are also incorporated in chapter.

Chapter 2

Review of literature

A review of literature is taken in second chapter this chapter provides literature on public sector banks and private sector banks. It mainly reviewed CRM strategies and systems followed earlier by banks and its impacts. It also includes review of strategies followed by banks for customer retention.

Chapter 3

Profile of the banks

Brief history and profileof the selected banks are discussed in this chapter.

Chapter 4

Banks and their respective CRM

This chapter consists of CRM practices and models followed by selected public and private sector banks, its benefits to customers, its implications as well as success ratio and failures of CRM models used earlier by selected banks.

Chapter 5

Analysis and interpretation of data

Data collected from various sources will be tabulated, analyzed and interpreted to arrive at some concrete conclusion. Actual comparison of CRM strategies and models used by public and private banks isobserved in this chapter.

Chapter 6

Findings, model and recommendations

In this chapter findings of the study based on comparative analysis in previous chapter will be presented along with suggestions and CRM implementation model, strategies from customer retention and acquisition will be suggested to both public and private banks.

Bibliography

In this chapter list of reference books, journals, authentic websites will be included. It also include questionnaire, statistical analysis of public and private sector banks.

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